



(Translation)

May 1, 2006

To All Concerned Parties

Corporate Name: SHiDAX Corporation

Representative: Kinichi Shida, President & Representative Director  
(JASDAQ Code Number: 4837 )

Person to Contact: Yutaka Ogino, Director in charge of IR and  
Manager of Accounting & Financial Division  
(TEL: +81-(0)3-5784-8909)

## Notice of Changes in Subsidiaries

We hereby provide notice of our resolution adopted at our board meeting held on May 1, 2006 to acquire equity interests in Restaurant Hospitality, LLC and to own the same and its subsidiaries as our subsidiaries as follows:

### Description

#### **1. Rationale of Acquisition**

We, and our group companies, have been developing contract food service, medical food service, and restaurant & karaoke businesses as well as take-away food business for convenience stores, as a general service provider based on “food products”. In addition to the above, we provide general customers in Japan with high-quality food and services at certain specialty restaurants classified into various categories, and we utilize in our nationwide industrial catering business such high-end quality and know-how of our brand and recipes as recognized by many such customers. While demand for industrial catering business is continuously expanding as part of benefit packages, we also receive a great number of requests for improving quality of food and services at prices affordable for consumers. We intend to pursue the accumulation of know-how by expanding brand categories of our specialty restaurants.

Restaurant Hospitality, LLC and its subsidiaries operate 50 specialty restaurants mainly in New York and Los Angeles, in the United States, and are famous globally, as well as in the US, for their growth as a multi-brand restaurants chain. In the US, the health-conscious trend has created further demands for Japanese food, and new categories have been generated by mixture of Japanese and Western foods.

Under these circumstances, by sharing our group’s and the Restaurant Hospitality group’s know-how, it becomes possible for us to accommodate our respective customers’ needs, and mutual enhancement of our business values can be expected. For the reasons above, we decided to own Restaurant Hospitality, LLC as our subsidiary.

## 2. Outline of Acquisition

We will invest in Restaurant Hospitality, LLC and also acquire from Messrs. Nick Valenti and Joachim Splichal their equity interests in the company, and will own it as our subsidiary. At the same time, by exercise of an option owned by Restaurant Hospitality, LLC to acquire 63.4% interest in RA/Patina, LLC held by a subsidiary of Compass Group in UK, the same will become a subsidiary of Restaurant Hospitality, LLC.

## 3. Outline of Subsidiary to be Acquired

- (1) Name: Restaurant Hospitality, LLC
- (2) Representative: Nick Valenti
- (3) Location: New York, the United States of America
- (4) Establishment: October 2002
- (5) Principal Business: Investment business
- (6) Closing Date: December 31
- (7) Employees: 2
- (8) Principal Place of Business: Los Angeles, California, the United States of America
- (9) Capital: US\$777,221
- (10) Major Investors: Nick Valenti 75%  
Joachim Splichal 25%

\* Description of recent business results and movements is omitted as the said company is a simple holding company.

## 4. Transferors of Equity Interests

- (1) Nick Valenti  
Member Relationship with US: None
- (2) Joachim Splichal  
Member Relationship with US: None

## 5. Acquired Interests (Acquisition Price) and Invested Interests (Investment Amount); Status of Ownership before and after Acquisition

- (1) Ownership Interests before Acquisition: 0%
- (2) Proportion of Interests to be Acquired: 26.4% Acquisition Price: US\$20,000 thousand  
(approximately ¥2,275 million)
- (3) Proportion of Equity Interests to be Invested: 58.6% Invest Amount: US\$45,000 thousand  
(approximately ¥5,118 million)
- (4) Ownership Interest after Acquisition 85.0%

Note: converted from US\$ to JPY at the exchange rate of US\$1 = JPY113.74 (TTM rate officially published by Sumitomo Mitsui Banking Corporation as of May 1, 2006)

## 6. Outline of Subsidiary of Restaurant Hospitality, LLC

- (1) Name: RA/Patina, LLC
- (2) Representative: Nick Valenti
- (3) Location: Delaware, the United States of America
- (4) Establishment: October 2002
- (5) Principal Business: Multi-brand restaurants chain
- (6) Closing Date: December 31

- (7) Employees: 3,776  
 (8) Principal Place of Business: Los Angeles, California, the United States of America  
 (9) Capital: US\$9,000  
 (10) Major Investors:  
     Restaurant Hospitality, LLC 6.0%  
     Compass Group PLC subsidiary 94.0%

(11) Business Results in Recent Fiscal Years (RA/Patina, LLC)

|                  | Period ending December, 2005 (unaudited)                | Period ending December, 2006 (unaudited)                |
|------------------|---|---|
| Sales            | US\$164,849 thousand<br>(approximately ¥18,750 million) | US\$168,064 thousand<br>(approximately ¥19,116 million) |
| operating income | US\$2,467 thousand<br>(approximately ¥281 million)      | US\$2,700 thousand<br>(approximately ¥307 million)      |
| net income       | US\$2,301 thousand<br>(approximately ¥262 million)      | US\$1,217 thousand<br>(approximately ¥138 million)      |
| gross capital    | US\$56,345 thousand<br>(approximately ¥6,409 million)   | US\$49,334 thousand<br>(approximately ¥5,611 million)   |

Note: converted from US\$ to JP¥ at the exchange rate of US\$1 = JP¥113.74 (TTM rate officially published by Sumitomo Mitsui Banking Corporation as of May 1, 2006)

**7. Schedule of Acquisition**

- May 1, 2006 Resolution of Board of Directors  
 Mid-June, 2006 Acquisition of and Investment in Restaurant Hospitality, LLC (anticipated)  
 Mid-June, 2006 Acquisition of Ownership Interests in RA/Patina, LLC through Exercise of Option by Restaurant Hospitality, LLC (anticipated)

**8. Future Prospects**

The impact of this acquisition upon our business results will be reflected in our prospective business results for the period ending March, 2007 when our financial statements for the period ending March, 2006 will be published on May 22, 2006 (anticipated).

End